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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 09/930,920
Filing Date: August 16, 2001
Appellant(s): FOSTER ET AL.

Wesley W. Whitmyer, Jr. (Reg. # 33,558)
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 11/16/2007 appealing from the Office action mailed 07/27/2007 (paper # 20070718).

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

20020188560	Kawashima et al.	12-202
20060053074	Wilton et al.	3-2006
6,317,727	May	11-2001

JP2001147956A Hitachi LTD 5-2001

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

DETAILED ACTION

Claim Rejections - 35 USC § 103

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 1-7, 9-12, 14-20 and 22-25 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kawashima et al (hereinafter Kawashima – US 2002/0188560) in view of Hitachi LTD [hereinafter – Hita JP2001147956A] and Wilton et al. (hereinafter Wilton – US 2006/0053074).

Re. Claim 22, Kawashima discloses receiving trade execution information, the trade execution information indicative of an executed securities trade by a first trading party (buyer/seller) [Kawashima – Abstract; paragraph (para.) 87-91; 149-];

receiving trade allocation information, the trade allocation information indicative of an ordered trade by a second trading party (seller/buyer) [Kawashima - paragraph (para.) 87-91];

comparing the trade execution information with the trade allocation information, and determining that a match exists if the trade execution information and the trade allocation information correlate within a set of predefined acceptable trade parameters [Kawashima para. 13; 54-60; 93-97; 132-154; claim 8];

extracting allocation level details from the trade allocation information; and extracting contract level details from the trade execution information if the contract level details comprise a part of the trade execution information, and prorating the contract level details based upon the allocation level details if the contract level details do not comprise a part of the trade execution information [Kawashima Figures 4, 9-10; para. 5-6; 52-61 (detail allocations); 152-154];

matching contract level details (payment information, etc) indicative of the executed trade by the first trading party with allocation level details indicative of the ordered trade by the second trading party [93; 149-152; claim 8]; and

Kawashima does not explicitly disclose

creating contract notes based upon the matched contract level details and allocation level details and acceptable trade parameters specified by at least one of the first trading party and the second trading party.

However, Hita discloses creating contract notes (netting information is generated based on master contract) based upon the matched contract level details and allocation level details [see 2 pages]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Kawashima and include creating contract notes, as disclosed by Hita, to provide an efficient and

quick netting process for control and generating netting information (contract notes) based on master contracts.

Wilton discloses acceptable trade parameters specified by at least one of the first trading party and the second trading party [paragraphs 04, 08, 90]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Kawashima and Hita and include acceptable trade parameters specified by at least one of the first trading party and the second trading party, as disclosed by Wilton, to allow parties to use credit line to complete direct trade between the parties.

Re. Claims 23-24, Kawashima discloses wherein at least a portion of the contract level details are prorated proportionally and wherein at least a portion of the contract level details are prorated on an equal basis [para 22-23; 82 see how much to whom and different sets of payments are the broadest interpretation which covers every way the participants want to settle the payments].

Re. Claim 25, Kawashima discloses further comprising the step of providing a database of trading party profiles, the database of trading party profiles having stored thereon a trading party profile for the first trading party which comprises an indication of proportion rules, and wherein the contract level details are prorated either proportionally or on an equal basis depending upon peroration the rules [para. 132; 140-152 – see criteria for each set].

Re. Claims 1, 9, and 14-16, claims 1, 9, and 14-16 include similar limitations as claim 25, therefore claims 1, 9, and 14-16 are rejected over Kawashima in view of Hita and Wilton with same rational as claim 22.

Re. Claims 2-6, 10-11, 17-19 claims 2-6, 10-11, 17-19 include substantially similar limitations as claims 23-24, therefore claims 2-6, 10-11, 17-19 are rejected over Kawashima in view of Hita and Wilton with same rational as claims 23-24.
Re. Claims 7, 12 & 20, claims 7, 12 & 20 include substantially similar limitations as claims 25, therefore claims 7, 12 & 20 are rejected over Kawashima in view of Hita and Wilton with same rational as claim 25.

Claims 8, 13, 21 & 26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kawashima, Hita and Wilton as applied to claims 1, 4, 7, 9, 12, 14, 17, 20, 22, 25 above, and further in view of May (US 6,317,727).

Re. Claim 26, Kawashima, Hita or Wilton does not explicitly disclose further comprising the step of allowing the first trading party to access, modify and confirm the trading party profile. However, May discloses this feature [col. 2 lines 46-65; col. 5 lines 49-62; col. 40 lines 22-26]. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to modify the disclosure of Kawashima, Hita and Wilton and include further comprising the step of allowing the first trading party to

access, modify and confirm the trading party profile, as disclosed by May, to allow the counterparties to accept each other for particular transaction.

Re. Claims 8, 13 & 21, claims 8, 13 & 21 include substantially similar limitations as claims 26, therefore claim 8, 13 & 21 are rejected over Kawashima in view of Hita and Wilton with same rational as claim 26.

(10) Response to Argument

In response to applicant's argument (recitation Page 9 "Argument" and "Rejection of Claims 1-7 …") that the references fail to show certain features of applicant's invention, it is noted that the features upon which applicant relies (i.e., a system for facilitating the processing and settlement of an already executed securities trade) are not recited in the rejected claim(s). Although the claims are interpreted in light of the specification, limitations from the specification are not read into the claims. See *In re Van Geuns*, 988 F.2d 1181, 26 USPQ2d 1057 (Fed. Cir. 1993).

In response to applicant's argument (recitation Page 10 "independent claims (i.e., Claims 1, 9, 14 and 22) specifically require …", Examiner disagrees. With broadest reasonable interpretation of the claimed limitation Kawashima et al. is in same field of invention of financial clearing and settlement (see Kawashima et al. paragraph 51 "to confirm the settlement … deliver the required security to netting service provider, … to finalize the sums to be settled", paragraph 64 "settlement day"). Applicant admits (page

11 of AB) that Kawashima et al. relates to a monetary securities (an analogous art), also see *In re Oetiker*. Kawashima et al. inherently discloses purchase order or ordering (see Kawashima et al. Figure 8 # 15, paragraphs 149-152, invoicing, in order to have an invoice, a product, service, or securities must have been ordered and purchased and business are know for writing purchase orders for procurement which is similar in security buy/sell order is made by agent or broker). Kawashima et al. discloses receiving trade execution information, the trade execution information indicative of an executed securities trade by a first trading party (buyer/seller) (see paper # 20070718 and Kawashima, Abstract; paragraphs 54; 66; 87-91; 149-150], and receiving trade allocation information, the trade allocation information indicative of an ordered trade by a second trading party (seller/buyer) (Kawashima – Figure 6 # S1 and #22 (payment information which is indicative of buying/selling); paragraphs 26; 54; 87-91]. Further, applicant has not claimed a specific type of securities nor excluded any types of securities or tradeable object *(i.e., applicant, for example, does not claim for settling stocks which are cleared and settled by National Securities Clearing Corporation (NSCC) and final settlement is carried out by Depository Trust Company (DTC) and settling stocks is admitted prior art)*, and furthermore, Wilton (prior art - secondary reference) disclosed electronic trading system (title), trading instrument (paragraphs 42, 48 - "trading instrument" or buying/selling US dollars/Japanese Yen), "settlement risk" (paragraph 4).

In response to applicant's argument that "Hitachi has nothing whatsoever to do with securities trades …", Hitachi is a secondary reference and adds a feature to the primary

and does not alters the functionality of the primary reference, just add a feature "creating contract notes (netting information is generated based on master contract) based upon the matched contract level details and allocation level details [see paper # 20070718 page 3]" to the primary reference. Similarly, Wilton et al. is a secondary reference and adds a feature to the primary and does not alters the functionality of the primary reference, just add a feature "acceptable trade parameters specified by at least one of the first trading party and the second trading party [see paper # 20070718 page 3], see In re KSR.

In response to applicant's argument that (recitation on page 12) "a matching program for comparing the trade execution information with the trade allocation information and for determining that a match exists if the trade execution information and the trade allocation information correlate within acceptable trade parameters …". Examiner disagrees, Kawashima et al. discloses this function [see paper # 20070718 pages 2-3], and also see [Kawashima et al. Abstract (counterchecked); Figures 4-5 (acceptable parameter, payment day, sum, payment information); paragraphs 93-94, 152, claims 6 and 8].

Examiner's observation should be noted - Applicant's limitation uses "if" statement, which implies if the "if" statement is not satisfies, the process exits without any further processing, which means the process stops and there is no reason for examination of the limitations following "if".

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

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